

# **CHANGE NOTICE FOR MANUAL NO. 04-21, BENEFICIARY FRAUD AND ABUSE POLICY AND PROCEDURES**

**DATE: FEBRUARY 12, 2021**

**Manual:** Family and Children's Manual  
**Change No:** 04-21  
**To:** County Directors of Social Services  
Program Integrity Supervisors and Staff  
Medicaid Supervisors and Caseworkers

## **I. BACKGROUND AND CONTENT OF CHANGE**

The Division of Health Benefits (DHB) has revised and updated the Medicaid policy section, MA-3535, Beneficiary Fraud and Abuse Policies and Procedures. This change notice includes general language/terminology revisions, policy amendments and updates to Program Integrity forms.

## **II. POLICY UPDATES**

### **A. General language/terminology throughout MA-3535 has been revised to replace/add:**

1. Recipient to beneficiary.
2. References to County Department of Social Services/local DSS with local agency/agency.
3. Division of Medical Assistance to Division of Health Benefits (DHB).
4. References to legacy EIS and EPICS terminology with NC Fast terminology.
5. OVS included to all references for Online Verification System (OLV).
6. Division of Medical Assistance Program Integrity Coordinator with DHB Program Integrity Beneficiary Fraud Consultant.
7. Office of Compliance and Program Integrity telephone and fax numbers.
8. Family Planning Waiver with Family Planning Program.
9. References for all PI forms from DMA to DHB
10. PI report references from FRD to EPI.

**B. The following sections of MA-3535, have been amended:**

1. **II.C.**, corrects NC Administrative Code 10A NCAC 22F.0706.
2. **III.D.1.**, adds the reference 108A-25 to Statutes Governing Confidentiality.
3. **III.D.3**, corrects the federal reference Section 1137(5)(A), 435.940ff.
4. **V, V.A.1., V.A.3., and V.A.4.g.**, adds to the policy the various applications types.
5. **V.A.2.**, adds the fraud prevention requirement to examine the case history and documentation prior to conducting a review.
6. **VI.D.** adds SCUBI, The Work Number and Asset Verification System (AVS) to computer matches.
7. **VI.D.2, VII., and XIV.**, defines date of discovery for referrals, sets a time requirement for completion of investigations and claim establishments to within 180 days from the date of discover. For court case claims, 30 days from the court disposition.
8. **VII.B. and VII.C.**, adds requirements to place all investigative documentation and evidence on the Investigative Case (IC) in NC Fast.
9. **VIII.A.3.a.**, clarifies Earned/Unearned income reporting.
10. **VIII.B.10 and VIII.B.11.c.**, clarifies FPP policy to include all ineligible individuals must be evaluated for FPP and provided an example for clarification.
11. **VIII.D.** removes reference to Work First Money Payment case.
12. **VIII.A.12.**, removes reference to Buy-In for Part A and B.
13. **IX.B.3.**, updates NCHC overpayment example.
14. **VIII.C.**, introduces Modified Adjusted Gross Income (MAGI).
15. **IX.A.B.3.**, updates calculation of NCHC overpayments example.
16. **X.F.1.**, adds requirement for the DHB-7058 (Investigative Summary) to be attached to the NC Fast IC for unsubstantiated cases or the NC Fast Product Liability Case (PLC) for substantiated cases.
17. **XI.1.b.**, adds requirement for the manual DHB-7059 (Notice of Change in Overpayment for Medical Assistance) to be attached to the NC Fast PLC.
18. **XII.**, adds policy for Voluntary Repayment Agreement negotiations to be repaid in full within 36-60 months. Also, adds hardship clarification.
19. **XVI.E(3).b.**, updates valid statuses for the NC Debt Setoff/Intercept screen.
20. **XVIII.A.** clarifies the purpose of the beneficiary profile.
21. **XVIII.A.3.**, removes reference to Profiles prior to July 1, 2010.
22. **XVIII.B.2.b.**, updates policy to include when and where beneficiary profiles requested for fraud cases are available in NCTRACKS.
23. **XVIII.D.1.c.**, adds reference to the Payment Summary page of profile and what is listed on the page.

24. **XVIII.D.2.**, updates policy to reflect NCTRACKS retains claims history for 10 years from the date of payment for most claims.
25. **XVIII.D.3.**, updates policy to reflect claims information included on the beneficiary profile.
26. **XVIII.**, updates the Claim Page Header Descriptions, Claim Types, Claim Status and Medicaid Service Codes. Also adds examples for Provider Summary Information, Payment Summary, and Date of Service Summary.
27. **XVIII.F.3.**, updates made to examples for Provider Summary Information, Payment Summary, Date of Service Summary.
28. **XVI.F.6.**, adds Cross Reference ID Summary and example.
29. **XVII.**, corrects federal citation for Social Security Act 1137, 435.940ff.

**C. Program Integrity forms have been updated as follows:**

1. All forms are interactive.
2. Replaces terminology for EIS or EPICS with NC Fast terminology.
3. Replaces recipient with beneficiary.
4. Changes references for County Department of Social Services to local agency/agency.
5. Makes all PI forms begin with DHB instead of DMA.
6. **DHB-7059** (Notice of Change in Medicaid Overpayment), includes additional reasons for a change in the overpayment amount and/or period.
7. **DHB-7063** (Medicaid/ NCHC Beneficiary Profile Request), provides current contact information for DHB OCPI.
8. **DHB-7097** (Beneficiary Request and Authorization to Disclose Health Information), adds Beneficiary to the title of form.
9. **DHB-7098** (Local Agency Request and Authorization to Disclose Health Information), adds Local Agency to the title of form.

**III. EFFECTIVE DATE AND IMPLEMENTATION**

This change is effective upon receipt.

If you have questions regarding this policy, please contact the Beneficiary Fraud staff with the OCPI Quality Assurance Section at [Medicaid.PI.Questions@dhhs.nc.gov](mailto:Medicaid.PI.Questions@dhhs.nc.gov).

DocuSigned by:

*Dave Richard*

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Dave Richard

Deputy Secretary, NC Medicaid